WEALTHCARE FINANCIALS

Webinar — Banker-Referred Track: Financing and Protecting a Practice Purchase

Webinar Script: Financing and Protecting a Practice Purchase

Presented by Kris Schwartz, Wealthcare Financials — An Agency of The Guardian Life Insurance Company of America

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Good afternoon, everyone, and thank you for joining us today. My name is Kris Schwartz. I'm the founder of Wealthcare Financials, and we are an agency of The Guardian Life Insurance Company of America. Your banker introduced us because they believe — and I agree — that the financing conversation and the income-protection conversation belong in the same room at the same time. Today we're going to make the case for why that matters, and we're going to give you practical, actionable information you can use whether you're a physician or dentist buying a practice, or a lender structuring that transaction.

Before we dive in, a quick note: nothing on this webinar constitutes financial, legal, or tax advice. Coverage availability is subject to underwriting, state availability, and individual circumstances. We'll keep this educational, and at the end I'll tell you exactly how to take a next step if anything resonates.

Section 1 — Setting the Stage: Why Lenders Are in This Conversation

When a physician or dentist walks into your bank to finance a practice acquisition, you're underwriting a business whose most critical asset isn't the equipment, the real estate, or even the patient list. It's the doctor's ability to show up, perform procedures, and generate revenue. Everything else flows from that single biological fact.

So consider what happens when that ability is interrupted. According to the Social Security Administration, a working person has roughly a one-in-four chance of experiencing a disability before retirement. That's not a remote tail risk — that's a risk that sits squarely inside the amortization period of most practice loans.

And yet, according to the 14th Annual Guardian Workplace Benefits Study published in 2025, only 43 percent of working Americans owned disability insurance that year. That means a meaningful portion of the borrowers sitting across from you have taken on six- or seven-figure debt obligations without a plan for what happens if they can't practice.

From a lender's perspective, that gap is worth a conversation. Not because it's your job to sell insurance — it isn't — but because a borrower who owns individual disability coverage is a more resilient credit. You've done your underwriting. Now let's talk about protecting what you both just built.

Let me spend a few minutes here for the physicians and dentists on the call, because the mechanics matter.

Individual disability insurance is designed to replace a portion of your earned income if an illness or injury prevents you from working. The key word in that last sentence is individual . Group coverage through an employer or a medical group can help, but it travels with the job, it is often taxable, and it may not reflect what you actually earn as a practice owner. Individual coverage is portable — it follows you, not your employer.

The definition of disability inside the policy is arguably the single most important contract term. The strongest definition available in the marketplace is called own-occupation, and in its most protective form it considers you disabled — and eligible for benefits — if you cannot perform the material and substantial duties of your specific medical or dental specialty, even if you are working in another capacity.

For a surgeon, that matters enormously. A hand injury that ends a surgical career may still leave that physician capable of administrative or consulting work. Under a true own-occupation definition, benefits may still be payable in that scenario. Under a weaker definition, they may not be.

The individual product Wealthcare Financials works with through Guardian is called Provider Choice, issued by Berkshire Life, a Guardian company. Provider Choice carries an enhanced own-occupation definition. The policy is noncancelable, meaning the insurance company cannot cancel it, raise your premiums, or change the terms as long as you pay your premium. It is also guaranteed renewable to age 65 or 67. Those contract features are worth understanding before you sign anything.

Section 3 — The GSI Opportunity: A Word for Residents and Early-Career Physicians

If you're a resident, a fellow, or a recent graduate who is now buying or preparing to buy a practice, there's a specific program worth knowing about. It's called Guaranteed Standard Issue, or GSI.

Participating institutions — typically medical schools, residency programs, and dental schools — offer GSI programs that allow residents and fellows to obtain individual disability coverage with no medical underwriting. You are not asked to submit to a physical exam or answer detailed health questions as part of the underwriting process. You are accepted based on your enrollment or employment status at the participating institution.

GSI programs typically include a resident discount that stays with the policy for life. That means the lower premium you lock in during training follows you into practice ownership, regardless of how your income grows. For anyone in that window of eligibility, the combination of no medical underwriting and a permanent rate discount makes timing genuinely significant.

Once that window closes — once you've left the participating institution — standard individual underwriting applies, and any health changes that occurred during training become part of that underwriting conversation. The window is real, and it closes.

Let's bring this back to the transaction. You've secured financing. You have a note to service. You have staff to pay, a lease obligation, and equipment. Your ability to generate clinical revenue is the engine that powers all of it.

An individual disability policy can serve as a form of income continuity planning — not a guarantee of any outcome, but a mechanism that may allow you to continue meeting financial obligations during a qualifying disability. Some borrowers and their advisors also explore business overhead expense coverage, which is a separate product designed to help cover practice operating costs during a disability. That's a related but distinct conversation, and one worth having with a financial professional who understands both products.

For lenders: some institutions ask borrowers to demonstrate insurance coverage as part of the credit package. Others offer it as a referral resource without making it a condition. Either way, the referral conversation is straightforward. You are not recommending a specific product. You are connecting a borrower with a licensed professional who can explain their options. That's a service, not a sales pitch.

Section 5 — A Note on the Regulatory Landscape

The legislative environment around medical education financing is shifting. The One Big Beautiful Bill Act, signed into law on July 4, 2025, caps federal graduate loan borrowing for medical and dental school at fifty thousand dollars per year with a two-hundred-thousand-dollar lifetime limit beginning July 1, 2026. Grad PLUS loans are eliminated for new borrowers under the same law.

If those provisions take effect, future physicians and dentists will likely carry a more complex debt structure — potentially a combination of federal loans up to the cap and private financing above it. That changes the risk calculus for both the borrower and the lender. Income protection becomes even more central to debt service planning when the debt load is diversified across multiple creditors with different terms.

The same law permanently excludes federal student loan discharge upon death or total and permanent disability from taxable income. That's a meaningful planning consideration — and one more reason to understand what disability coverage you have, and what it actually covers, before you need it.

[OBJECTION HANDLING]

Objection: "I have coverage through my group practice or hospital."

Group coverage is a starting point, not a complete solution for a practice owner. Group policies typically offer a more generic definition of disability, and they don't travel with you if you leave or if the group's benefits change. Once you own a practice, you are the employer — group coverage at the practice level covers you as an employee, but the terms and portability are worth reviewing carefully against what individual coverage would look like. These two types of coverage are not mutually exclusive.

Objection: "I'm healthy. I don't need to think about this now."

Individual disability insurance is priced and underwritten based on your health at the time of application.

Objection: "This feels like one more expense on top of the loan."

That's a fair observation, and the premium is real. The way most practice owners think about it: the loan requires income to service. The income requires your ability to practice. The insurance is, in effect, protecting the underlying assumption that made the loan viable in the first place. Whether that trade-off makes sense in your specific situation is exactly what a one-on-one conversation with a financial professional is designed to work through.

[CLOSE]

Let me wrap up with a few thoughts.

If you're a physician or dentist who is financing or recently financed a practice acquisition, the single most useful next step is a coverage review. Not a sales presentation — a review. Bring whatever you have, whether it's a group certificate, a policy you bought in residency, or nothing at all, and let's look at it together against what you're currently earning and what you owe. That conversation is free, it's straightforward, and it takes less time than you'd expect.

If you're a lender and you've been referring borrowers into practice ownership without a clear resource for this conversation, I'd welcome the chance to talk about how a referral relationship works. There's no pressure and no obligation on your end. Your job is to make good loans. My job is to make sure the person servicing that loan has thought through what happens if something changes.

My name is Kris Schwartz. I founded Wealthcare Financials in 2019 after spending time in the tech industry, and I hold Series 6 and Series 63 registrations. Wealthcare Financials works with more than 40 carrier partnerships, and we are an agency of The Guardian Life Insurance Company of America. You can reach me directly through the contact information your banker shared, or through our website.

Thank you for your time today. I'm happy to take questions.

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